

STATEMENT OF PURPOSE**RS18873**

The purpose of this legislation is to reduce costs and promote efficiency in public school pupil transportation systems. While pupil transportation remains an important and necessary component of Idaho's public school system, it must also be acknowledged that transportation costs represent overhead costs, and that each dollar spent on transportation is a dollar that cannot make it into the classroom, where education takes place. In these austere times, it is essential that all overhead costs be scrutinized. This legislation eliminates reimbursement for miles that are unrelated to transporting students to and from school, including the elimination of state funding for field trips. Secondly, it requires that high population density school districts be measured based on cost per student rider, for the purposes of the pupil transportation cost cap. Thirdly, it reduces the state reimbursement match from 85% to 50% for all but SDE assessments and fees, and bus purchases and maintenance, and converts the dollars saved into a pupil transportation block grant. And lastly, it defines the area in which public charter schools may receive reimbursement for the cost of transporting students. In total, the changes will save the state money in FY10, will help avoid areas of future cost growth, and provide districts with a more powerful incentive to run transportation operations more efficiently, since school districts would realize fifty cents on most of the dollars saved, rather than the current fifteen cents.

FISCAL NOTE

The provisions related to eliminating reimbursements for field trips and non-student miles will save the state general Fund \$2.5 million in FY10. The provisions related to high population density school districts will save the state General Fund \$1.7 million in FY10. Reducing the state reimbursement match from 85% to 50% for most cost areas will allow approximately \$23.4 million to be shifted from regular transportation reimbursements to a transportation block grant. While this will be cost neutral for the state and all school districts for FY10, it will provide a much more powerful incentive for school districts to find efficiencies in transportation operations, which could help avert up to \$2.5 million in cost growth in the FY11 budget. The provisions related to defining transportation areas for public charter schools will not save any significant money, based on current operations, but can help avoid a potential area of cost growth in the future.

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